

COST OF LIVING ADJUSTMENT (COLA) NOTIFICATION

December 15, 2002

To our retired members:

Earlier this year, the Indiana General Assembly enacted a Cost of Living Adjustment (COLA) for retired and disabled members, as well as survivors of members who are receiving a monthly benefit. The law gives a COLA to members of the Public Employees' Retirement Fund who have been retired or disabled (from PERF) for at least one year on January 1, 2003. **Please note that the COLA also applies to the Excise Police and Conservation Enforcement Officers' Retirement Plan and to the Legislators' Retirement System Defined Benefit Plan.**

As authorized by the COLA legislation, the Public Employees' Retirement Fund will make this adjustment on January 1, 2003 to your monthly benefit check. You will see this adjustment for the first time on your January 15, 2003 benefit check/direct deposit. The increase will be as follows:

Members who have been retired or disabled for at least one (1) year as of January 1, 2003, will be awarded a COLA equal to 1.4% of their monthly pension amount.

EXAMPLE: If you normally receive a monthly benefit of \$125 that consists of \$25 in monthly payment of your Annuity Savings Account, and a pension portion of \$100, your COLA would be calculated based on the \$100 pension portion of your monthly benefit. Specifically, the COLA would be calculated as follows: $\$100 \times .014 = \1.40 . Effective January 1, 2003, your new monthly benefit payment will be \$126.40.

Please remember that eligibility for this COLA is based on your latest date of retirement or disability from PERF, and does not apply to benefits payable in a lump sum. If you have any questions or concerns, please feel free to contact our Customer Service Department at 1.888.526.1687. Our office hours are 8:00 AM – 5:00 PM, Indianapolis time, Monday through Friday.